

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF	)	CASE NO.
GARRARD COUNTY WATER ASSOCIATION, INC.	)	2015-00148

ORDER

On May 13, 2015, Garrard County Water Association, Inc. ("Garrard County") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.<sup>1</sup> The initial filing was found to be deficient. On May 26, 2015, Garrard County filed information that cured the deficiencies and the application was accepted as filed as of that date

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Garrard County purchases water from the city of Danville ("Danville"), the city of Lancaster ("Lancaster") and the city of Berea ("Berea").
2. Danville notified Garrard County that effective May 1, 2015, Danville would increase its wholesale rate subject to refund<sup>2</sup> to Garrard County from a declining block rate schedule to a flat rate of \$2.41 per 1,000 gallons. Garrard County proposed to increase the water rates to its customers effective May 7, 2015.
3. Should the Commission approve a rate lower than currently proposed and implemented subject to refund by Danville, Garrard County should file a revised

---

<sup>1</sup> KRS 278.015; 807 KAR 5:068.

<sup>2</sup> Case No. 2014-00392, *Proposed Adjustment of the Wholesale Water Service Rates of City of Danville* (Ky. PSC May 5, 2015).

purchase water adjustment within 30 days of the Commission's Order in Case No. 2014-00392.<sup>3</sup>

4. Garrard County proposed a purchased water adjustment factor of \$0.20 per 1,000 gallons.

5. During the 12 months ended April 30, 2015, Garrard County purchased 82,738,226 gallons of water from Danville, 277,494,304 from Lancaster, and 24,850,356 from Berea. During the same period, Garrard County sold 305,236,200 gallons of water. The increase in the cost of purchased water is \$62,557.76, resulting in a purchased water adjustment factor of \$0.20 per 1,000 gallons.

6. The purchased water adjustment factor of \$0.20 per 1,000 gallons, as calculated in Appendix A to this Order and requested by Garrard County, is fair, just, and reasonable and should be approved.

7. The rates proposed by Garrard County, as set forth in Appendix B to this Order, are fair, just and reasonable and should be approved subject to refund for water service rendered on and after May 7, 2015.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$0.20 per 1,000 gallons is approved subject to refund.

2. Garrard County's proposed rates are approved subject to refund for water service rendered on and after May 7, 2015.

---

<sup>3</sup> *Id.*

3. Within 20 days of the date of this Order, Garrard County shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein subject to refund.

4. Garrard County shall file a revised purchased water adjustment within 30 days of the Commission's Order in Case No. 2014-00392 approving a rate increase for Danville if the approved rate differs from the rates implemented subject to refund by Danville.

By the Commission

ENTERED  
JUN 05 2015  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2015-00148 DATED **JUN 05 2015**

	<u>New Rate</u>	<u>Base Rate</u>
Garrard County		
Purchases in gallons		
Danville	82,738,226	82,738,226
Volumetric rate:	<u>\$ 2.41/1,000</u>	<u>See Below</u>
Total	\$ 199,399.12	

Danville Current Rate Schedule

			Per 1,000 Gallons	Revenue
		Gallons	Rate	
First	149,600	1,795,200	\$2.25	\$ 4,039.20
Next	598,400	7,180,800	1.93	13,858.94
Next	748,000	8,976,000	1.60	14,361.60
Next	2,244,000	26,928,000	1.42	38,237.76
Over	3,740,000	37,858,227	1.15	43,536.96
	Total	82,738,227		\$114,034.47
20 percent surcharge calculated on monthly billed dollar amount				<u>22,806.89</u>
Total current Danville rates				\$136,841.36
Increased water cost		\$ 62,557.76		
Increased water cost		\$ 62,557.76		
Divided by gallons sold/1,000		<u>305,236,200</u>		
Purchased water adjustment factor		\$ 0.2049 per 1,000 gallons		
		or \$ 0.20 per 1,000 gallons		

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2015-00148 DATED **JUN 05 2015**

The following rates and charges are prescribed for the customers in the area served by Garrard County Water Association, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8- x 3/4-Inch Meter

First	1,000 gallons	\$	10.53 Minimum Bill
Next	1,000 gallons		5.63 per 1,000 gallons
Next	1,000 gallons		4.53 per 1,000 gallons
Next	2,000 gallons		4.33 per 1,000 gallons
Over	5,000 gallons		4.03 per 1,000 gallons

1-Inch Meter

First	5,000 gallons	\$	29.35 Minimum Bill
Over	5,000 gallons		4.03 per 1,000 gallons

1 1/2-Inch Meter

First	10,000 gallons	\$	49.50 Minimum Bill
Over	10,000 gallons		4.03 per 1,000 gallons

2-Inch Meter

First	25,000 gallons	\$	109.95 Minimum Bill
Over	25,000 gallons		4.03 per 1,000 gallons

\*Garrard County Water Association, Inc.  
315 Lexington Road  
P. O. Box 670  
Lancaster, KY 40444

\*Sean Smith  
General Manager  
Garrard County Water Association, Inc.  
P. O. Box 670  
Lancaster, KY 40444